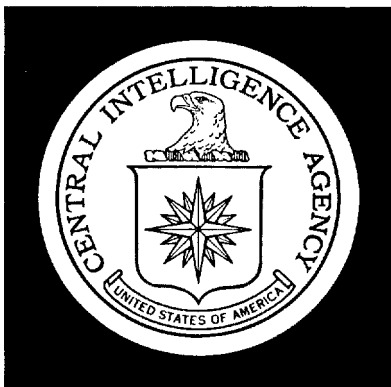


**Secret**



OFFICE OF  
NATIONAL ESTIMATES

## MEMORANDUM

*Taiwan and the Taiwanese*

**Secret**

28 June 1971

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# CENTRAL INTELLIGENCE AGENCY

## OFFICE OF NATIONAL ESTIMATES

28 June 1971

MEMORANDUM<sup>\*</sup>

SUBJECT: Taiwan and the Taiwanese

### DISCUSSION

1. The Taiwanese make up over 85 percent of the population on the island, but remain under the firm control of a small elite of mainlanders who fled to Taiwan in 1949. By claiming to be the legal government of all China, the Government of the Republic of China (GRC) has accorded Taiwan a role in its "national" government commensurate with the island's population, which is less than 2 percent of China's total population. Thus, although the Taiwanese are well represented in the local and provincial governments, the significant decisions for Taiwan are made by the KMT and GRC in Taipei; the Taiwanese have only token representation on these bodies.

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\* This memorandum was prepared by the office of National Estimates and was discussed with components of CIA.

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2. Within the large military force of over one-half million, the Taiwanese play a role not unlike that in political life. Taiwanese in the armed forces have increased steadily and now make up over 90 percent of the privates, but less than 20 percent of the NCO's. Their representation among the officer class is considerably lower, almost negligible among field-grade officers and above. Despite the inevitable aging of the mainlanders, the Taiwanese have no more chance of rising to command positions within the military than in the government.

3. In the economic sphere the Taiwanese have fared somewhat better, largely because they have shared in the impressive growth of the economy. At least on this point the Nationalists deserve credit. Their land reform program has given the farmer a greater stake in the island's economy and thus a share in the general prosperity. Except for the industries which the GRC took over from the Japanese, the economy of Taiwan is carried on in large degree by the Taiwanese themselves. In part this has resulted from the Gimo's reluctance to have his colleagues in the KMT become deeply entrenched in the Taiwanese business world. Thus, even though the mainlanders dominate financial and foreign

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trade activities, the Taiwanese have been given a relatively free hand in running the domestic market place.

4. Although there has been some gradual improvement in their relationship, the Taiwanese and the mainlanders still remain part of separate communities, linguistically, socially, and politically. The Taiwanese see themselves as members of the Chinese race (Han-jen), but not as members of a political China (Chung-kuo-jen).\*

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\* Thus, for all its 25 years on Taiwan, the government of Chiang Kai-shek and the Kuomintang (KMT) remains an alien establishment to most of the Taiwanese. A practical consequence of this lack of Taiwanese identification with the GRC is resentment over the burdens, in the form of large defense costs and restrictions on public debate, flowing from the GRC's adherence to the myth of a return to the mainland.

There is even less political identification with Peking, and no desire among the Taiwanese to be pulled under the communist wing. Ideology is not the most important factor here, even though most Taiwanese realize that they have more freedom under the KMT's relatively benevolent dictatorship than would be the case under the PRC. More significant is the general awareness that any reunion with the mainland would involve diluting Taiwan's prosperity by averaging it down toward the much lower standards of the mainland.

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5. Despite the many uncertainties surrounding Taiwanese attitudes, it is possible to make one estimate with more than usual assurance. The people of Taiwan, if given a free choice, would opt for independence and reject rule by either the GRC or the PRC. This has, of course, never been put to the test. Certainly no one has polled the Taiwanese on what sort of government they would prefer.

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During the 75 years that Taiwan has been under either Japanese or GRC control, the Taiwanese have gradually evolved a sense of their own identity.

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Looking Ahead

12. In sum, there is little prospect in the next several years of the Taiwanese gaining control of Taiwan or even of their emerging from the background to assert effectively any claim to such control. The GRC is likely to take heavier blows on the diplomatic front and at any time could lose its superannuated leader Chiang Kai-shek. But even a combination of these adverse turns is not likely to dislodge the tight hold of the KMT.

13. Over a much longer period, say 5 or 10 years, the range of possibilities widens considerably.

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14. The other main possibility, probably containing more realistic elements, is that the GRC does not collapse suddenly, retains its defense commitment from the US, and reconciles itself to governing Taiwan as an independent political entity. Over a time span of 5 or 10 years, the leadership of the GRC would suffer considerable losses from mortality; the ideological absolutism of the elder Chiang would have been lost; the pretense of being the legal government of all China would probably have atrophied. For their part, the Taiwanese would have increased their proportion in the total population and might also have increased their role in the government and in the army. During this time the mainlanders might conclude that they could survive on Taiwan only by blending into the population. This melding process might move slowly at first, but would tend to pick up speed as the second generation took over.

15. Under such a course of development, the Taiwanese might be content to increase their political role by small increments, convinced that time was on their side. If the GRC tried to limit this shift of power even while the Taiwanese were increasing their role in the army and the police, there would be

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the chance of a revolt. But this would only be likely if the GRC stumbled badly and failed to maintain its elite security forces. More likely the slow transition toward a "Taiwanese" state would proceed with a sense of inevitability on the part of the mainlanders.

16. But the above possibilities are contingent upon international developments beyond the control of the Taiwanese. Peking will oppose any tendency toward an independent Taiwan and will likely make its relations with the US and Japan contingent on how the Taiwan issue is handled.

And aside from the PRC, the rest of the world may see moral justice in the idea of an independent Taiwan run by the Taiwanese. But with the PRC and GRC both firmly committed to the principle that there is but one China and with the implications this has for diplomatic, commercial, and military relations, no important combination of leaders in the international community seems likely to pick up the ball for Taiwanese independence.

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